

**FY 2011**

**CONGRESSIONAL BUDGET JUSTIFICATION**

**OFFICE OF FEDERAL CONTRACT COMPLIANCE  
PROGRAMS**



# OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

## TABLE OF CONTENTS

Appropriation Language .....	1
Explanation of Language Change .....	2
Amounts Available for Obligation.....	3
Summary of Changes .....	4
Summary of Budget Authority and FTE by Activity.....	6
Budget Authority by Object Class .....	7
Agency Outcome Goals .....	8
Total Budgetary Resources .....	9
Summary of Performance .....	10
Significant Items in Appropriation Committees Reports.....	11
Authorizing Statutes.....	12
Appropriation History .....	13
Organization Chart.....	14
Budget Activities .....	15
Office of Federal Contract Compliance Programs.....	15



**OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS**

**APPROPRIATION LANGUAGE**

**OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS**

**SALARIES AND EXPENSES**

*For necessary expenses for the Office of Federal Contract Compliance Programs, \$113,433,000.*

# **OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS**

## **OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS**

### **EXPLANATION OF LANGUAGE CHANGE**

In FY 2010, the Department implemented a plan to realign and streamline the former Employment Standards Administration (ESA). As a result, ESA was abolished and funding that previously was requested for the component agencies and offices under the heading “Employment Standards Administration Salaries and Expenses” is requested separately in FY 2011.

## OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

<b>AMOUNTS AVAILABLE FOR OBLIGATION</b>								
(Dollars in Thousands)								
	FY 2009 Comparable		Recovery Act		FY 2010 Estimate		FY 2011 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>A. Appropriation</b>	<b>585</b>	<b>82,107</b>	<b>0</b>	<b>0</b>	<b>788</b>	<b>103,271</b>	<b>788</b>	<b>113,433</b>
Reduction pursuant to (P.L. 111-8) in FY 2009	0	0	0	0	0	0	0	0
Other Supplementals and Rescissions	0	0	0	0	0	0	0	0
Appropriation, Revised	585	82,107	0	0	788	103,271	788	113,433
<i>Subtotal Appropriation</i>	<i>585</i>	<i>82,107</i>	<i>0</i>	<i>0</i>	<i>788</i>	<i>103,271</i>	<i>788</i>	<i>113,433</i>
(adjusted)	0	0	0	0	0	0	0	0
Comparative Transfer To:	0	0	0	0	0	0	0	0
Comparative Transfer From: ESA/PDS	11	2,065	0	0	0	2,115	0	0
Offsetting Collections From:	0	0	0	0	0	0	0	0
Non-Expenditure Transfers from DM	0	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>B. Gross Budget Authority</b>	<b>596</b>	<b>84,172</b>	<b>0</b>	<b>0</b>	<b>788</b>	<b>105,386</b>	<b>788</b>	<b>113,433</b>
Offsetting Collections	0	0	0	0	0	0	0	0
Deduction:	0	0	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0	0	0
Non-Expenditure Transfers from DM	0	0	50	7,282	0	0	0	0
<i>Subtotal</i>	<i>0</i>	<i>0</i>	<i>50</i>	<i>7,282</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>C. Budget Authority</b>	<b>596</b>	<b>84,172</b>	<b>50</b>	<b>7,282</b>	<b>788</b>	<b>105,386</b>	<b>788</b>	<b>113,433</b>
Before Committee	0	0	0	0	0	0	0	0
Offsetting Collections From:	0	0	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0	0	0
IT Crosscut	0	0	0	0	0	0	0	0
Legal Services	0	0	0	0	0	0	0	0
Non-Expenditure Transfers from DM	0	0	0	0	0	0	0	0
<i>Subtotal</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>D. Total Budgetary Resources</b>	<b>596</b>	<b>84,172</b>	<b>50</b>	<b>7,282</b>	<b>788</b>	<b>105,386</b>	<b>788</b>	<b>113,433</b>
Other Unobligated Balances	0	0	0	0	0	0	0	0
Unobligated Balance Expiring	-21	-334	0	0	0	0	0	0
Unobligated Balance Permanently Reduced	0	0	0	0	0	0	0	0
<b>E. Total, Estimated Obligations</b>	<b>575</b>	<b>83,838</b>	<b>50</b>	<b>7,282</b>	<b>788</b>	<b>105,386</b>	<b>788</b>	<b>113,433</b>

# OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

## SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2010 Estimate	FY 2011 Request	Net Change
<b>Budget Authority</b>			
General Funds	105,386	113,433	+8,047
<b>Total</b>	105,386	113,433	+8,047
<b>Full Time Equivalents</b>			
General Funds	788	788	0
<b>Total</b>	788	788	0

Explanation of Change	FY 2010 Base		Trust Funds		FY 2011 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Increases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Costs of pay adjustments	788	67,598	0	0	0	1,213	0	1,213
Personnel benefits	0	8,251	0	0	0	0	0	0
Employee health benefits	0	2,558	0	0	0	0	0	0
Moving allowance	0	230	0	0	0	0	0	0
Federal Employees Compensation Act (FECA)	0	256	0	0	0	0	0	0
Benefits for former personnel	0	30	0	0	0	0	0	0
Travel and transportation of persons	0	786	0	0	0	0	0	0
Transportation of things	0	110	0	0	0	0	0	0
Rental payments to GSA	0	5,107	0	0	0	75	0	75
All Other Rental	0	108	0	0	0	0	0	0
Communications, utilities, and miscellaneous charges	0	667	0	0	0	0	0	0
Printing and reproduction	0	41	0	0	0	0	0	0
Advisory and assistance services	0	2,040	0	0	0	0	0	0
Other services	0	792	0	0	0	0	0	0
Working Capital Fund	0	10,630	0	0	0	617	0	617
Homeland Security	0	464	0	0	0	0	0	0
Other purchases of goods and services from Government accounts	0	1,019	0	0	0	0	0	0
Operation and maintenance of facilities	0	25	0	0	0	0	0	0
Operation and maintenance of equipment	0	3,683	0	0	0	0	0	0
Supplies and materials	0	371	0	0	0	0	0	0
Equipment	0	351	0	0	0	0	0	0
<b>Built-Ins Subtotal</b>	<b>788</b>	<b>105,117</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,905</b>	<b>0</b>	<b>1,905</b>
<b>B. Programs:</b>								
Restoration of 2010 Requested Funding	0	0	0	0	0	6,250	0	6,250
<b>Programs Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>+6,250</b>	<b>0</b>	<b>+6,250</b>

# OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

Explanation of Change	FY 2010 Base		FY 2011 Change				Total	
			Trust Funds		General Funds			
<b>C. Financing:</b>								
<b>Total Increase</b>	<b>+788</b>	<b>+105,117</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>+8,155</b>	<b>0</b>	<b>+8,155</b>
<b>Decreases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Costs of pay adjustments	0	0	0	0	0	-108	0	-108
Insurance claims and indemnities	0	269	0	0	0	0	0	0
<b>Built-Ins Subtotal</b>		<b>269</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-108</b>	<b>0</b>	<b>-108</b>
<b>B. Programs:</b>								
<b>C. Financing:</b>								
<b>Total Decrease</b>	<b>0</b>	<b>+269</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-108</b>	<b>0</b>	<b>-108</b>
<b>Total Change</b>	<b>+788</b>	<b>+105,386</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>+8,047</b>	<b>0</b>	<b>+8,047</b>

# OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

<b>SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY</b>								
(Dollars in Thousands)								
	<b>FY 2009 Comparable</b>		<b>Recovery Act</b>		<b>FY 2010 Estimate</b>		<b>FY 2011 Request</b>	
	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>
<b>Office of Federal Contract Compliance Programs</b>	<b>575</b>	<b>84,172</b>	<b>50</b>	<b>7,282</b>	<b>788</b>	<b>105,386</b>	<b>788</b>	<b>113,433</b>
General Funds	575	84,172	50	7,282	788	105,386	788	113,433
<b>Total</b>	<b>575</b>	<b>84,172<sup>1</sup></b>	<b>50</b>	<b>7,282</b>	<b>788</b>	<b>105,386</b>	<b>788</b>	<b>113,433</b>
<b>General Funds</b>	<b>575</b>	<b>84,172</b>	<b>50</b>	<b>7,282</b>	<b>788</b>	<b>105,386</b>	<b>788</b>	<b>113,433</b>

NOTE: FY 2009 reflects actual FTE.

---

<sup>1</sup> FY 2009 and FY 2010 amounts reflect reallocated funds from the dissolution of ESA's Program Direction and Support Office

## OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

<b>BUDGET AUTHORITY BY OBJECT CLASS</b>						
(Dollars in Thousands)						
		<b>FY 2009 Comparable</b>	<b>Recovery Act</b>	<b>FY 2010 Estimate</b>	<b>FY 2011 Request</b>	<b>Change FY 11 Req. / FY 10 Est.</b>
	Full-Time Equivalent					
	Full-time Permanent	575	50	788	788	0
	<b>Total</b>	<b>575</b>	<b>50</b>	<b>788</b>	<b>788</b>	<b>0</b>
	Total Number of Full-time Permanent Positions	575	50	788	788	0
	Average ES Salary	221,000	0	223,000	225,000	2000
	Average GM/GS Grade	12	7	12	12	0
	Average GM/GS Salary	102,000	18,000	104,000	106,000	2000
11.1	Full-time permanent	43,408	4,490	64,103	68,566	4463
11.3	Other than full-time permanent	1,844	100	1,748	1,748	0
11.5	Other personnel compensation	1,843	200	1,747	1,747	0
<b>11.9</b>	<b>Total personnel compensation</b>	<b>47,095</b>	<b>4,790</b>	<b>67,598</b>	<b>72,061</b>	<b>4463</b>
12.1	Civilian personnel benefits	12,386	1,274	11,295	12,443	1148
13.0	Benefits for former personnel	30	0	30	30	0
21.0	Travel and transportation of persons	755	325	786	884	98
22.0	Transportation of things	109	0	110	110	0
23.1	Rental payments to GSA	5,548	252	5,107	5,682	575
23.2	Rental payments to others	107	0	108	108	0
23.3	Communications, utilities, and miscellaneous charges	752	2	667	667	0
24.0	Printing and reproduction	41	59	41	41	0
25.1	Advisory and assistance services	115	0	2,040	3,119	1079
25.2	Other services	788	422	792	967	175
25.3	Other purchases of goods and services from Government accounts 1/	11,019	1	12,113	12,730	617
25.4	Operation and maintenance of facilities	25	0	25	25	0
25.7	Operation and maintenance of equipment	4,241	0	3,683	3,683	0
26.0	Supplies and materials	369	104	371	317	-54
31.0	Equipment	350	53	351	297	-54
42.0	Insurance claims and indemnities	442	0	269	269	0
	<b>Total</b>	<b>84,172<sup>2</sup></b>	<b>7,282</b>	<b>105,386</b>	<b>113,433</b>	<b>8,047</b>
	1/Other Purchases of Goods and Services From Government Accounts					
	Services by Other Government Departments	415	1	418	418	0
	Working Capital Fund	9,540	0	10,630	11,247	617
	DHS Services	494	0	464	464	0
	GSA Services	450	0	481	481	0
	Services by DOL Agencies	120	0	120	120	0

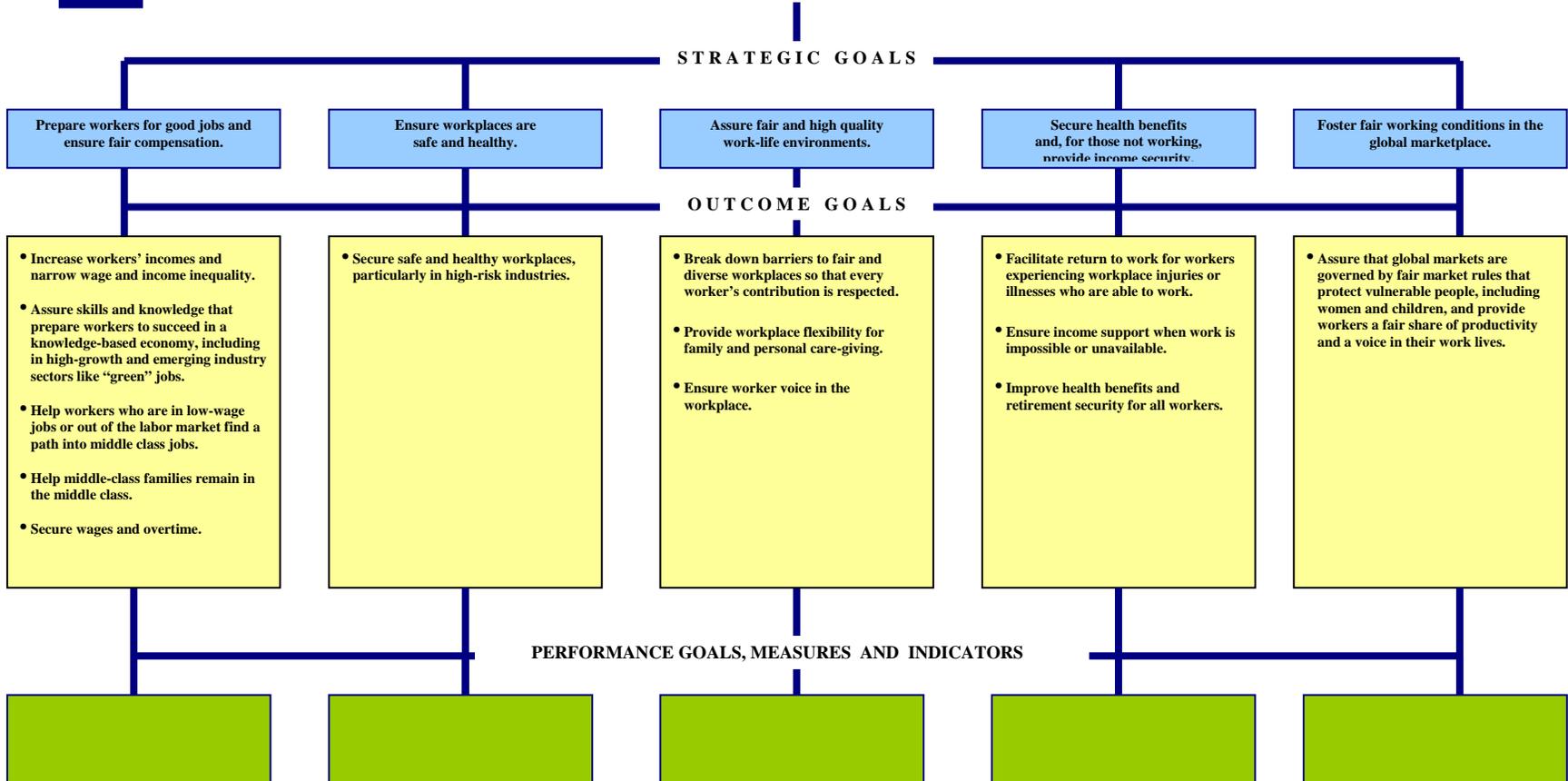
NOTE: FY 2009 reflects actual FTE.

<sup>2</sup> FY 2009 and FY 2010 amounts reflect reallocated funds from the dissolution of ESA's Program Direction and Support Office.

# OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS



## Secretary's Vision: "Good Jobs for Everyone"



## OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

<b>TOTAL BUDGETARY RESOURCES</b>													
FY 2009 - 2011													
(Dollars in Thousands)													
	FY 2009 Comparable				Recovery	FY 2010 Estimate				FY 2011 Request			
	Activity Approp.	Other Approp. <sup>1/</sup>	Other Resrcs. <sup>2/</sup>	Total	Act	Activity Approp.	Other Approp. <sup>1/</sup>	Other Resrcs. <sup>2/</sup>	Total	Activity Approp.	Other Approp. <sup>1/</sup>	Other Resrcs. <sup>2/</sup>	Total
<b>Office of Federal Contract Compliance Programs</b>	<b>84,172</b>	<b>0</b>	<b>0</b>	<b>84,172</b>	<b>7,282</b>	<b>105,386</b>	<b>0</b>	<b>0</b>	<b>105,386</b>	<b>113,433</b>	<b>0</b>	<b>0</b>	<b>113,433</b>
Office of Federal Contract Compliance Programs	84,172	0	0	84,172	7,282	105,386	0	0	105,386	113,433	0	0	113,433
<b>Total</b>	<b>84,172</b>	<b>0</b>	<b>0</b>	<b>84,172</b>	<b>7,282</b>	<b>105,386</b>	<b>0</b>	<b>0</b>	<b>105,386</b>	<b>113,433</b>	<b>0</b>	<b>0</b>	<b>113,433</b>

<sup>1/</sup> "Other Appropriation" is comprised of resources appropriated elsewhere, but for which the benefits accrue toward the operation of the budget activities. ( Executive Direction, and IT Crosscut)

<sup>2/</sup> "Other Resources" include funds that are available for a budget activity, but not appropriated such as, reimbursements and fees

## OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

<b>SUMMARY OF PERFORMANCE</b>											
<b>Office of Federal Contract Compliance Programs</b>											
Performance Indicator	FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011
	Goal		Goal		Goal		Goal		Goal		Goal
	Target	Result									
1. Compliance rate for all other equal employment opportunity requirements. <sup>1</sup>	64%	87.2%	86%	88%	89%	86%	89%	84.4%	90%	90%	
2. Number of cases of Executive Order discrimination resolved.									80	100	
3. Number of investigations in individual Vietnam Era Veterans' Readjustment Assistance Act and disability discrimination cases.									10	15	

---

<sup>1</sup> Other violations include technical issues such as contractor failed to develop and maintain an Affirmative Action Plan, or failure to maintain records.

# OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

## SIGNIFICANT ITEMS IN APPROPRIATION COMMITTEES' REPORTS

House Report 111-220 Page 33, The Committee requested an updated report on ESA's human capital strategy to be submitted to the Committees on Appropriations of the House of Representatives and the Senate within 90 days of the enactment of this Act. The report will include the number of staff hired with funds from the Recovery Act and the Omnibus Appropriations Act, 2009, respectively; and a detailed hiring plan for the additional full-time equivalents the agency plans to hire in fiscal year 2010. OFCCP is collecting the necessary data for response to the Congressional directive. The agency will submit the data collected to the Departmental Budget Center in a timely manner for inclusion in the report.

# OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

## AUTHORIZING STATUTES

<b>Public Law / Act</b>	<b>Legislation</b>	<b>Statute No. / US Code</b>	<b>Volume No.</b>	<b>Page No.</b>	<b>Expiration Date</b>
PUB. L. 93-112	Rehabilitation Act of 1973, as amended.	29 U.S.C. 793			N/A
	Vietnam Era Veteran's Readjustment Assistance Act of 1974, as amended.	38 U.S.C. 4212 42 U.S.C. 12101, et seq.			N/A
PUB. L. 93-508					
PUB. L. 101-336	Americans with Disabilities Act.				N/A

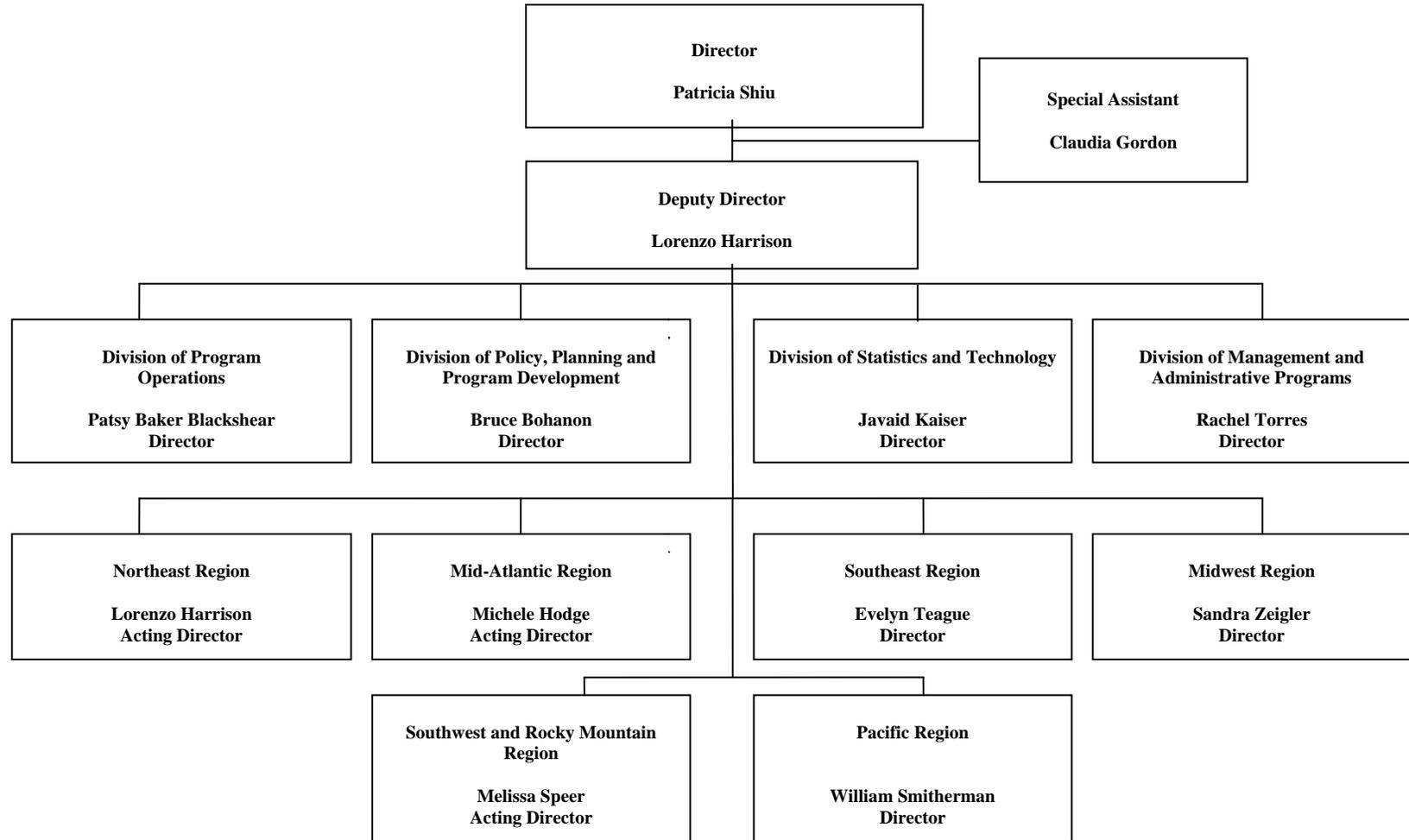
## OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

<b>APPROPRIATION HISTORY</b>					
(Dollars in Thousands)					
	<b>Budget Estimates to Congress</b>	<b>House Allowance</b>	<b>Senate Allowance</b>	<b>Appropriations</b>	<b>FTE</b>
2001	0	0	0	0	0
2002	0	0	0	0	0
2003	0	0	0	78,033	742
2004	0	0	0	79,441	749
2005	0	0	0	80,059	691
2006	0	0	0	81,285	670
2007	0	0	0	82,442	625
2008	0	0	0	81,001	585
2009	0	0	0	84,172	596
2010	109,521	101,521	107,021	105,386	788
2011	113,433	0	0	0	788

FY 2009 and FY 2010 amounts reflect reallocated funds from the dissolution of ESA's Program Direction and Support Office.

# OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

## Organization Chart



## OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>							
(Dollars in Thousands)							
	<b>FY 2009 Comparable</b>	<b>Recovery Act</b>	<b>FY 2010 Enacted</b>	<b>FY 2010 Estimate</b>	<b>Diff. FY 09 Comp. / FY 10 Est</b>	<b>FY 2011 Request</b>	<b>Diff. FY 10 Est. / FY 11 Req.</b>
<b>Activity Appropriation</b>	<b>84,172</b>	<b>7,282</b>	<b>103,271</b>	<b>105,386</b>	<b>21,214</b>	<b>113,433</b>	<b>8,047</b>
FTE	575	50	788	788	213	788	0

NOTE: FY 2009 reflects actual FTE. Authorized FTE for FY 2009 was 596.

### **Introduction**

The Office of Federal Contract Compliance Programs (OFCCP), formerly under the Employment Standards Administration (ESA), is a worker protection agency at the Department of Labor that ensures workers are recruited, hired, promoted, terminated, and compensated in a non-discriminatory manner by federal contractors. Reporting directly to the Secretary of Labor, OFCCP is comprised of a national office and six regions with offices distributed nationwide.

OFCCP's appropriation consists of a Salaries and Expense account, which provides discretionary funds for administering the following laws: Executive Order 11246, which prohibits employment discrimination on the basis of race, religion, color, national origin and sex; Section 503 of the Rehabilitation Act of 1973, which prohibits employment discrimination against individuals with disabilities; and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, which prohibits employment discrimination against certain protected veterans.

For FY 2011, OFCCP's request of \$113,433,000 and 788 FTEs is essential to the achievement of the following strategic and outcome goals in support of the Secretary's vision of "good jobs for everyone." In addition to our FY 2010 enacted budget, the dissolution of ESA resulted in resource funding for additional staff that joined the agency. OFCCP directly supports the Secretary's vision of "good jobs for everyone" through the following strategic goals:

#### **Strategic Goal 1: Prepare workers for good jobs and ensure fair compensation.**

- Increase workers' incomes and narrow wage and income inequality.
- Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.

#### **Strategic Goal 3: Assure fair and high quality work-life environments.**

- Break down barriers to fair and diverse workplaces so that every worker's contribution is respected.
- Ensure worker voice in the workplace.

OFCCP intends to implement full scale, aggressive enforcement efforts in FY 2011. This is a significant shift from the enforcement strategy utilized during the past several years, wherein OFCCP employed a case management system that decreased the number of full reviews the

## OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

agency conducted. Additionally, the agency's former enforcement strategy prioritized our statutory responsibility to enforce E.O. 11246 and resulted in a decline of enforcement of other OFCCP laws and program areas, mainly affirmative action. Outreach and cases on behalf of individuals with disabilities and protected veterans were also adversely impacted.

Consequently, OFCCP will broaden its enforcement efforts and focus on identifying and resolving both individual and systemic discrimination. We are renewing our commitment to strengthening affirmative action, combating discrimination against veterans and individuals with disabilities, as well as continuing to resolve systemic discrimination cases. Our review processes will also focus on individual cases of discrimination, including harassment, retaliation, termination, and failure to promote.

OFCCP's new enforcement posture will dedicate resources to enforcing Section 503 of the Rehabilitation Act, VEVRAA, as well as E.O. 11246. Enforcement of E.O. 11246 will incorporate a renewed emphasis on conducting construction reviews. Moreover, OFCCP will investigate all discriminatory practices, not just systemic cases, and enforce affirmative action plans to ensure that federal contractors are committed to advancing equal employment opportunity and are proactive in developing opportunities for minorities, women, individuals with disabilities, and veterans. Since federal contractors are obligated to self-audit and correct identified problems, OFCCP will dedicate additional resources to increase monitoring of this element of compliance. Additionally, OFCCP will strengthen its relationship with the contractor community and develop a comprehensive stakeholder outreach strategy, serving the needs of women, minorities, individuals with disabilities, and veterans.

### **Five-Year Budget Activity History**

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2006	81,285	670
2007	82,442	625
2008	81,001	585
2009	84,172	596
2010	105,386	788

NOTE: Excludes Recovery Act Funding. See budget activity head table.

### **FY 2011**

In FY 2011, OFCCP is requesting \$113,433,000 and 788 FTEs. The request includes funding associated with staff that shifted to OFCCP following the dissolution of ESA (and the elimination of ESA's Program Direction and Support activity). Also included is \$6,250,000 to restore funds requested in FY 2010.

The FY 2010 request provided for the addition of 213 FTE. The hiring of these FTEs started in late January 2010 resulting in at least 4 months of personnel compensation savings. OFCCP is

## OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

staggering hiring towards the end of the fiscal year to provide for additional savings in personnel compensation.

The restoration of the \$6,250,000 in FY 2011 will allow the program to retain these staff, transition Recovery Act-funded staff to permanent positions, and help to ensure the highest priority to the Department and OFCCP which is to restore the capacity of the Department's enforcement efforts. If OFCCP does not receive the restoration funding of \$6,250,000, the program will have to implement a hiring freeze and will not be able to backfill positions.

OFCCP's enforcement efforts will be broadened to include a focus on aggressively identifying and resolving discrimination utilizing all enforcement tools available to the agency. OFCCP is renewing its commitment to strengthening affirmative action, combating discrimination against veterans and individuals with disabilities, as well as continuing to resolve systemic discrimination cases. The review processes will also focus on individual cases of discrimination including harassment, retaliation, termination, and failure to promote.

On December 7, 2009, OFCCP rolled out its regulatory agenda. Although these regulatory changes began in the FY 2010, publication of the Notice of Proposed Rulemaking (NPRM) and final rules are scheduled for FY 2011. These proposed regulatory changes include:

- Strengthening the **Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA) of 1974, as amended**, that requires federal contractors to provide equal employment opportunities and to take affirmative action to increase employment opportunities for covered veterans.
- Revising **Section 503 of the Rehabilitation Act of 1973, as amended (Section 503)** in response to the amendments made in the Americans with Disabilities Act of 2009. Here too, OFCCP will be looking for ways that it can strengthen its regulations to increase employment opportunities for individuals with disabilities as well as the affirmative action efforts taken by federal contractors.
- Updating the current regulations implementing the **Executive Order 11246, as amended (E.O.)**, for federal and federally assisted construction contractors. Here OFCCP will seek to strengthen 41 CFR 60-4 to require covered contractors to take affirmative action steps that will produce a more diverse workforce in their construction workplace.

Once these regulatory changes are finalized, OFCCP will embark on the education phase that will include training staff, the public, contractors, and other community organizations. OFCCP will conduct numerous outreach efforts to ensure that all stakeholders are well-informed.

# OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

## FY 2010

In FY 2010, OFCCP received \$103,271,000. Following the dissolution of ESA, we received resource funding for additional staff that joined the agency. With this funding, OFCCP will be able to return to its 2001 staffing level, thereby rebuilding the program's enforcement capacity, and strengthening its commitment to ensuring that federal contractors abide by equal employment opportunity laws. This will be accomplished through the comprehensive development and implementation of numerous initiatives. The Federal Contractor Compliance Manual will be overhauled. A comprehensive training program and system will be developed to help augment the skill sets of OFCCP's workforce. New outcome-driven performance measures will be developed utilizing expertise from academia. The agency's scheduling process, the way in which it determines which contractors it will review, will be overhauled. The process for referring cases for litigation will be reengineered. All of these initiatives will be implemented in FY 2010.

In order to regain its 2001 staffing level, OFCCP has embarked on an unprecedented initiative to hire 213 employees. New employees will be hired incrementally throughout FY 2010. The agency is recruiting and plans to hire mostly front-line Equal Opportunity Specialists, with a special outreach emphasis on veterans and individuals with disabilities. OFCCP is committed to ensuring that veterans and individuals with disabilities are afforded an opportunity to join the federal workforce.

### **Strategic Planning, Program Goals and Priorities**

OFCCP supports four new Department of Labor outcome goals: 1) *Breaking down barriers to fair and diverse workplaces so that every worker's contribution is respected*, 2) *narrowing wage and income inequality*, 3) *helping workers find a path into middle class jobs*, and 4) *a voice in the workplace*.

In support of the Department's goals of increasing workers' incomes, narrowing wage and income inequality, and helping workers who are in low-wage jobs or out of the labor market find a path into middle class jobs, OFCCP has committed to resolve, at a minimum, 80 cases of discrimination under E.O. 11246, a seventy-seven percent increase of the FY 2009 goal of 45 cases. These cases will prioritize wage discrimination cases, promotion, and entry level based discrimination. OFCCP will also increase the percentage of compliance evaluations that resolve compensation discrimination. For this measurement, FY 2010 will serve as a baseline year as OFCCP continues to review and refine its compensation discrimination investigative procedures. Establishment and subsequent achievement of these goals by OFCCP will help workers without jobs *get jobs*, and will help workers who have jobs but are unfairly underpaid achieve income equality.

In support of the Department's goal of breaking down barriers to fair and diverse workplaces, OFCCP will increase and focus its compliance reviews efforts and initiate recidivism measurement. OFCCP will select two industries and conduct an industry-based establishment compliance evaluation study in FY 2010 to identify a baseline measure of compliance. A

## **OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS**

random sample of establishments in each industry will be selected for compliance evaluations from each industry. In FY 2013, these establishments will be re-evaluated, depending on the number and type of issues identified. The re-evaluation results will be compared to those of the FY 2010 findings. The difference in compliance outcomes will serve as a comparative measure of OFCCP's impact on compliance. Ideally, given an appropriate sample size, OFCCP may be able to draw inferences about the state of compliance within the industry in FY 2013. Using this approach, OFCCP will test whether previously evaluated contractors achieve a greater degree in compliance between FY 2010 and FY 2013 than other establishments that were not audited in the random sample. This method provides a measure of recidivism. If this model is successful, OFCCP will identify additional industries for evaluation using this approach in the future.

OFCCP will also conduct a corporate, multi-establishment compliance evaluation approach designed to assess whether OFCCP's activities within a single corporation leads to increased compliance by the other establishments within the same corporation. Using the Corporate Management Compliance Evaluation list, which uses neutral selection criteria, OFCCP will identify the first eligible corporation on each regional list for a multi-establishment corporate-wide review. A random sample of establishments from each corporation will be drawn for compliance evaluations. One half of the establishments will be scheduled for compliance review in FY 2010; the second half of establishments will be scheduled in FY 2011. Using this approach, OFCCP will measure whether subsequent evaluations result in a higher compliance rate than those of the first group, indicating that OFCCP has had some impact on corporate practice.

Finally, in support of the Department's goal of ensuring a voice in the workplace, OFCCP will complete at least 10 investigations in individual VEVRAA and disability discrimination cases. OFCCP will broaden its focus to include individual cases of discrimination to ensure that individuals as well as classes are given a fair chance in the workplace. Additional measures will be considered and added as OFCCP is in the process of reviewing and refining its individual complaint investigation procedures.

OFCCP plans to increase compliance among the most persistent and egregious violators. The agency has contracted with an outside consultant to develop and test a statistical model to target violators. The statistical model will be implemented in FY 2011.

### **Regulatory Agenda**

In preparation of the regulatory changes to be finalized in the next fiscal year, during FY 2010, OFCCP plans to conduct numerous town hall meetings and public webinars to solicit comments from the general public regarding the revision of the VEVRAA regulations, Section 503, and E.O. 11246 for construction contractors. In addition, the agency will solicit recommendations from unions, civil rights groups, community-based organizations, and other stakeholders which are designed to ensure that the regulations are responsive to stakeholder needs and concerns. Finally, the agency will evaluate the effects of the revised regulations on small businesses by determining the burden hours associated with the revisions to the regulations.

# OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

## FY 2009

During a year of transitional change, OFCCP utilized its FY 2009 enacted budget of \$82,107,000 to enforce laws which prohibit federal contractors and subcontractors from discriminating in employment based on race, gender, color, religion, national origin, disability, or covered veteran status. The agency strengthened its enforcement posture to protect the rights of American workers who were discriminated against and began to promote the Secretary of Labor's new vision of "*good jobs for everyone*".

In FY 2009, OFCCP entered into financial settlements with 94 contractors for back pay that totaled \$9,314,978. The agency's enforcement efforts corrected unlawful employment discrimination for more than 21,839 American workers. OFCCP negotiated settlements that provided 2,249 new job opportunities for affected workers. In addition to negotiated settlements, in cases where findings of discrimination could not be resolved, the Agency referred 20 cases to the Office of the Solicitor for further enforcement and litigation action. The increase in job opportunities for American workers provided redress for acts of discrimination and leveraged other resources in the workforce development system to ensure worker success and fairness. Annualized salaries associated with these new jobs are not included in the aforementioned \$9.3 million in back pay. This change in how the agency reports monetary awards for workers who have been discriminated against will provide transparency. Monetary benefits for affected workers will be reported as workers are actually hired and paid.

As a part of its compliance and enforcement efforts, OFCCP completed 4,000 compliance evaluations. Results from these evaluations concluded in conciliation agreements with nearly 700 contractors during FY 2009.

## Recovery Act Update

OFCCP received \$7,282,000 as part of the American Recovery and Reinvestment Act (ARRA) of 2009. The funding enables OFCCP to evaluate the personnel practices of federal contractors and subcontractors who receive ARRA funding. This funding allows OFCCP to perform the following:

- Conduct compliance evaluations of ARRA-funded construction contractors.
- Conduct compliance evaluations of ARRA-funded supply and service contractors.
- Conduct pre-award reviews of new supply and service contractors with contracts of \$10 million or more.
- Evaluate compensation practices of ARRA contractors.
- Recommend enforcement for contractors where discrimination is identified or access denied and conciliation efforts have failed.
- Schedule educational outreach events for first-time contract recipients, current federal contractors, and contracting officers.

## OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

As of December 31, 2009, OFCCP transferred/hired 47 employees to conduct ARRA-related compliance evaluations. In addition, OFCCP completed 59 compliance evaluations, resulting in 13 conciliation agreements with one case of compensation discrimination against an African-American male totaling \$24,894 in back pay.

OFCCP conducted 292 outreach events, including 8 regional-level public forums and one national public forum, educating hundreds of contractors on their EEO obligations. On September 9, 2009, OFCCP held its very first national forum, attended by 150 participants. This first training forum offered workshops to new federal supply and service contractors, construction contractors, and federal contracting and procurement officers. It also provided opportunities to showcase best practices for hiring covered veterans and a session on legal updates to the OFCCP program, which included the impact of the recent *Ricci* decision and amendments made to the Americans with Disabilities Act. Subsequently, OFCCP held three public webinars as part of its “American Recovery & Reinvestment Act of 2009 (ARRA) Webinar” series. These webinars were attended by more than 800 federal contractors, federal agency representatives, consultants, attorneys, and other contractor organizations.

## OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

<b>WORKLOAD SUMMARY</b>				
	<b>FY 2009</b>		<b>FY 2010</b>	<b>FY 2011</b>
	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Office of Federal Contract Compliance Programs</b>				
Total Compliance Evaluations Completed	4,160	3,917	5,000	5,500
Total Complaints Investigated/Resolved	114	87	114	150
Compliance Assistance Events	800	1,390	1,500	1,500
Workers in Establishments Evaluated (in thousands)	3,000	1,813	3,000	3,000
Total Compliance Actions	5,452	3,539	6,114	8,650

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined

OFCCP administers and enforces three legal authorities that require equal employment opportunity: [Executive Order 11246, as amended](#); [Section 503 of the Rehabilitation Act of 1973, as amended](#); and the [Vietnam Veterans' Readjustment Assistance Act \(VEVRAA\) of 1974, as amended, 38 U.S.C. 4212](#). Taken together, these laws ban discrimination and require Federal contractors and subcontractors to take affirmative action to ensure that all individuals have an equal opportunity for employment, without regard to race, color, religion, sex, national origin, disability or status as a Vietnam era or special disabled veteran. At the FY 2011 requested level, OFCCP will have the resources to conduct additional compliance evaluations and complaint investigations focused on identifying discrimination for workers seeking equal employment opportunity. With the Secretary of Labor's vision of "*good jobs for everyone*" OFCCP's new enforcement posture will dedicate resources to enforcing Section 503 of the Rehabilitation Act, VEVRAA, as well as E.O. 11246. Enforcement of E.O. 11246 will incorporate a renewed emphasis on conducting construction reviews. Moreover, OFCCP will investigate all discriminatory practices, not just systemic cases, and enforce affirmative action plans to ensure that federal contractors are committed to advancing equal employment opportunity and are proactive in developing opportunities for minorities, women, individuals with disabilities, and veterans. Since federal contractors are obligated to self-audit and correct identified problems, OFCCP will dedicate additional resources to increase monitoring of this element of compliance. Additionally, OFCCP will strengthen its relationship with the contractor community and develop a comprehensive stakeholder outreach strategy, serving the needs of women, minorities, individuals with disabilities, and veterans.

## OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>						
(Dollars in Thousands)						
		<b>FY 2009 Comparable</b>	<b>Recovery Act</b>	<b>FY 2010 Estimate</b>	<b>FY 2011 Request</b>	<b>Change FY 11 Req. / FY 10 Est.</b>
11.1	Full-time permanent	43,408	4,490	64,103	68,566	4,463
11.3	Other than full-time permanent	1,844	100	1,748	1,748	0
11.5	Other personnel compensation	1,843	200	1,747	1,747	0
<b>11.9</b>	<b>Total personnel compensation</b>	<b>47,095</b>	<b>4,790</b>	<b>67,598</b>	<b>72,061</b>	<b>4,463</b>
12.1	Civilian personnel benefits	12,386	1,274	11,295	12,443	1,148
13.0	Benefits for former personnel	30	0	30	30	0
21.0	Travel and transportation of persons	755	325	786	884	98
22.0	Transportation of things	109	0	110	110	0
23.1	Rental payments to GSA	5,548	252	5,107	5,682	575
23.2	Rental payments to others	107	0	108	108	0
23.3	Communications, utilities, and miscellaneous charges	752	2	667	667	0
24.0	Printing and reproduction	41	59	41	41	0
25.1	Advisory and assistance services	115	0	2,040	3,119	1,079
25.2	Other services	788	422	792	967	175
25.3	Other purchases of goods and services from Government accounts 1/	11,019	1	12,113	12,730	617
25.4	Operation and maintenance of facilities	25	0	25	25	0
25.7	Operation and maintenance of equipment	4,241	0	3,683	3,683	0
26.0	Supplies and materials	369	104	371	317	-54
31.0	Equipment	350	53	351	297	-54
42.0	Insurance claims and indemnities	442	0	269	269	0
	<b>Total</b>	<b>84,172</b>	<b>7,282</b>	<b>105,386</b>	<b>113,433</b>	<b>8,047</b>
1/Other Purchases of Goods and Services From Government Accounts						
	Services by Other Government Departments	415	1	418	418	0
	Working Capital Fund	9,540	0	10,630	11,247	617
	DHS Services	494	0	464	464	0
	GSA Services	450	0	481	481	0
	Services by DOL Agencies	120	0	120	120	0

# OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

## CHANGES IN FY 2011

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments \$1,105

Rental payments to GSA 75

Working Capital Fund 617

**Built-Ins Subtotal 1,797**

**Net Program 6,250**

	<b>Estimate</b>	<b>FTE</b>
<b>Base</b>	<b>107,183</b>	<b>788</b>
<b>Program Increase</b>	<b>6,250</b>	<b>0</b>